

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

STARRED QUESTION NO:214
ANSWERED ON:12.03.2013
MONOPOLY BY CABLE OPERATORS MSOS
Ajay Kumar SHRI ;Dhurve Jyoti

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) whether the Government has sought the opinion of the Telecom Regulatory Authority of India (TRAI) to check/control the monopolistic practices by the Cable and the Multi System Operators (MSOs);
- (b) if so, the details thereof and the response of the TRAI in this regard;
- (c) whether MSOs and the cable operators are free to operate in any area of their choice; and
- (d) if so, the steps taken/being taken by the Government to check such monopoly in the broadcasting sector?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI MANISH TEWARI)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED NO. 214 FOR ANSWER ON 12.3.2013.

(a) to (d): Ministry has made a reference to the Telecom Regulatory Authority of India (TRAI) on 16th May 2012 on media ownership issues in the broadcasting sector. TRAI has been requested to examine the entire gamut of media ownership issues, and to provide recommendations on vertical as well as horizontal integration within the various segments in the Broadcasting Sector. Another reference has been made to TRAI on 12th December 2012 on the monopolistic practices by Cable and Multi System Operators. TRAI has been asked to recommend on the need for placing restrictions and amendments in the Cable Television Networks (Regulation) 1995 Act and Rules to ensure fair quality of service and equity in cable services. The gist of the issues on which recommendations of TRAI are being sought in these references is at Annexure. TRAI recommendations are awaited.

The Cable Television Networks Regulation Act 1995 and the Rules framed thereunder specify the registering authority for cable operator which is the head post master of the Head Post Office of the area within whose territorial jurisdiction the office of the Cable Operator is situated. It is mandatory to obtain prior registration from the Ministry of Information and Broadcasting to operate as MSO in areas notified under section 4A of the Cable Act. The MSO shall be restricted to operate in such permitted areas for which registration has been granted by the Ministry.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA STARRED QUESTION NO. 214 FOR ANSWER ON 12.3.2013.

The Ministry of Information and Broadcasting in its letter dated 16.05.2012 to Telecom Regulatory Authority of India (TRAI) has requested the authority to re-look at the following issues and make appropriate recommendations:

In the present emerging scenario more and more broadcasting companies owning television channels are venturing into various distribution platforms, namely Cable TV distribution, DTH and IPTV etc. Similarly many companies owning distribution platforms are also entering into television broadcasting. This type of vertical integration can seriously affect competition and promote monopolistic practices. Therefore, there is a need to address such vertical integration. TRAI may suggest measures that can be put in place to address vertical integration in order to ensure fair growth of the broadcasting sector.

In another scenario companies have controls / ownerships across Print, TV and Radio leading to horizontal integration. At present there is no restriction for a company to have ownership across Radio, Television and Print mediums. Such a situation may prevent plurality of news and views and, in turn, may have several implications including ensuring quality services at reasonable prices. TRAI may also look at this issue and suggest appropriate measures in this regard.

The Ministry of Information and Broadcasting in its letter dated 12.12.2012 to Regulatory Authority of India (TRAI) has requested the

authority to provide its recommendations on the following:

In order to ensure fair competition, improved quality of service, and equity, should any restriction be imposed on MSOs / LCOs to prevent monopolies / accumulation of interest? If yes, what restrictions should be imposed and what should be the form, nature and scope of such restrictions? Accordingly, amendments required in the Cable Television Networks (Regulation) Act, 1995 and Rules framed thereunder may also be suggested.